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## LEGISLATIVE HISTORY

Public Law 390--78th Congress

Chapter 322--2d Session

H. R. 4837

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DIGEST OF PUBLIC LAW 390

COCONUT-OIL TAX SUSPENSION. Continues until June 30, 1946, the partial suspension of the processing tax on coconut oil.

INDEX AND SUMMARY OF HISTORY ON H. R. 4837

May 19, 1944	H. R. 4837 introduced by Rep. Eberharter and was referred to the House Committee on Ways and Means. Print of the bill as introduced.
June 10, 1944	House Committee on Ways and Means reported H. R. 4837 without amendment. House Report 1621. Print of the bill as reported.
June 15, 1944	H. R. 4837 discussed in the House and passed as reported.
June 16, 1944	H. R. 4837 referred to the Senate Committee on Finance. Print of the bill as referred.
June 21, 1944	Senate Committee on Finance reported H. R. 4837 with amendments. Senate Report 1003. Print of the bill as reported, not available.
	H. R. 4837 discussed in the Senate and passed as reported.
	House agreed to the Senate amendments.
June 30, 1944	Approved. Public Law 390.









# H. R. 4837

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## IN THE HOUSE OF REPRESENTATIVES

MAY 19, 1944

Mr. EBERHARTER introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To extend for an additional two years the suspension in part of the processing tax on coconut oil.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 2 of the Act of September 16, 1942, entitled  
4       “An Act to suspend in part the processing tax on coconut  
5       oil”, is amended by striking out “June 30, 1944” and  
6       inserting in lieu thereof “June 30, 1946”.

78TH CONGRESS  
2d Session

H. R. 4837

## A BILL

To extend for an additional two years the suspension in part of the processing tax on coconut oil.

By Mr. EVERHARTER

MAY 19, 1944

Referred to the Committee on Ways and Means





of New Jersey have proposed the passage of a resolution at the annual stockholders' meeting, reading as follows:

Now, therefore, be it—

*Resolved*, That this company will not, after the date hereof, become a party to any cartel agreement which limits production, fixes prices, divides territory, and limits technological development, unless the Government of the United States desires the company to enter into such arrangement; be it further

*Resolved*, That it is not the intent of this resolution to imply that this company has been or has not been involved in any cartels in the past.

In spite of its protestations of opposition to cartels, the management of this corporation has vigorously opposed the passage of any such resolution and I ask consent to include with my remarks herewith a portion of the notice of the annual stockholders meeting of Standard Oil Co.—New Jersey—dated at Flemington, April 22, 1944. The material quoted herewith appears on pages 9, 10, and 11 of this notice. I think it will speak for itself.

MINORITY STOCKHOLDERS COMMITTEE, STANDARD OIL CO. (NEW JERSEY)

#### PROPOSAL BY A STOCKHOLDER

The company has been notified that Mr. William Floyd II, of 142 East Seventy-ninth Street, New York, N. Y., who owned of record 103 shares of the company on April 1, 1944, intends to present for action at the annual meeting the statement and resolutions set forth below, which resolutions are opposed by the management. (Mr. Floyd also forwarded letters from nine additional stockholders requesting that his proposal be included in this proxy statement).

Floyd statement:

"At the annual stockholders meeting in 1943, in speaking against a resolution calling on the company not to resume cartel relations with I. G. Farben after this war, Mr. Gallagher said he opposed cartels. In September, this attitude was amplified in a company press release stating:

"That cartels which limit production, fix prices, divide territory and limit technological development, are against public policy and are inconsistent with our principles of free enterprise."

"Because of the controversy resulting from our company's dealings with I. G. Farben, we believe the statements expressed should be made a matter of policy by stockholder action."

Floyd proposal:

"Now, therefore, be it—

*Resolved*, That this company will not, after the date hereof, become a party to any cartel agreement which limits production, fixes prices, divides territory and limits technological development, unless the Government of the United States desires the company to enter into such arrangement; be it further

*Resolved*, That it is not the intent of this resolution to imply that this company has been or has not been involved in any cartels in the past."

This is the third year in which Mr. Floyd has asked the stockholders, by similar restrictive resolutions, to make decisions which are normally the functions of management. Last year his proposal was rejected by the vote of over 98 percent of the shares represented at the annual meeting.

As explained in public statements, the management of your company opposes the "cartel" method of conducting business. It is not, however, in a position to force its views upon the governments or the nationals of whatever countries may favor or require that method. If we are to do business in

foreign countries, we must observe their laws and customs.

No one can now foresee to what extent or in what manner our own Government may formulate a foreign policy upon these matters, nor to what extent our Government may be able to secure collaboration in its policy by other governments. In the meantime, the management of your company has stated its readiness to file with the Department of State—or some other designated Government agency—copies of all contracts made with foreign corporations, with the understanding that they be made public if that agency considers publication of the facts to be in the public interest.

The management believes that in these rapidly changing times it would be unsound and a mistake for the company to impose upon itself any such restriction on its worldwide business as Mr. Floyd proposes. The management therefore urges the stockholders to disapprove and reject Mr. Floyd's proposal.

Actions, Mr. Speaker, speak louder than words. It is rather difficult to understand why those who control the destinies of this corporation should on the one hand profess their opposition to cartels and on the other hand urge all their stockholders to vote against a resolution of the sort presented by the minority stockholders. Nor does the defense alleged by the corporation to the effect that governmental policy may be a determining factor prove convincing upon analysis, for the minority stockholders' proposal itself contains the clause:

Unless the Government of the United States desires the company to enter into such arrangement.

In any case the lesson for Congress from these things should be only too apparent for it is obvious that it is up to us to chart such a course with regard to monopolies and cartels as to convince the officials of Standard of New Jersey that so far as this Congress is concerned at least, it will not be the policy of the United States to encourage cartels which "limit production, fix prices, divide territory, or limit technological development" in the period after the war, but rather to discourage and penalize such cartels by every means at our command.

#### EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two respects, in one to include an address by James A. Farley, and in the other an article by Lawrence Sullivan.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[The matter referred to appears in the Appendix.]

#### PROGRAM FOR NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to find out the program for next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. I shall be very glad to furnish that information.

Monday is District of Columbia Day, and only noncontroversial bills will be considered. They ought to take only a short time. I have been unable to get any information as to the bills that are ready to be taken up, but I am placing them on the calendar for Monday so that in case there are any noncontroversial bills it will be known that their consideration on Monday is in order.

Following the disposition of those bills we shall continue the consideration of the price-control bill, and it is hoped that we will dispose of it on Monday.

The War Department appropriation bill is the next in order, and it is set down for Tuesday.

On Wednesday, in case the War Department appropriation bill takes up all of Tuesday, but in any event following that bill, will be the war contract termination bill.

On Thursday there will be considered the insurance bill, a bill reported out some months ago but held in abeyance pending the decision of the Supreme Court.

On Friday the WASP bill will be in order, and on Saturday the deficiency appropriation bill.

There are two House resolutions to be considered, one relating to campaign expenditures, and we are very eager to get that resolution through. There is also the Kelley resolution pertaining to handicapped persons. There are also several conference reports to be disposed of.

I realize that this is a very heavy program. The chances are that we shall not be able to dispose of all of it. However, that is the program for next week, and we shall try to accomplish it to the best of our ability.

Mr. MARTIN of Massachusetts. Will the conference reports be taken up during the week or will they come at the end of the program?

Mr. McCORMACK. I am unable to state now as to that, except that the gentleman from Massachusetts will be advised. Of course, we have to get them out of the way as quickly as possible.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. If the conference report on the G. I. bill is printed in time, will it be allowed to come up for consideration on Tuesday? We are very anxious, and I know the gentleman is, to have it on the statute books so the veterans can apply for their loans and education, and get the benefit of this bill.

Mr. McCORMACK. I cannot answer that. The War Department appropriation bill is a very important one. I am sure the gentleman from Massachusetts appreciates that. After the pending bill is disposed of I feel that the War Department appropriation bill should be the next order of business without disturbance. It is vitally important. Then will follow the war contract termination bill. I cannot say now whether we can put some of the conference reports in before that, but we will dispose of



them just as quickly as we can. After we get through with the War Department appropriation bill and before we take up the war contract termination bill we may be able to dispose of some of the conference reports.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from California.

Mr. HINSHAW. May I ask the gentlewoman from Massachusetts whether it is contemplated that the G. I. Bill of Rights conference report will be highly controversial?

Mrs. ROGERS of Massachusetts. There will be no controversy at all, in my opinion. It was a unanimous report. I should say that 75 percent of it is along the lines of the House bill.

Mr. HINSHAW. May I ask the gentlewoman from Massachusetts if the conferees have agreed?

Mrs. ROGERS of Massachusetts. Yes, absolutely. The managers have signed the report. Everything is all ready just as soon as the conference report is printed.

Mr. HINSHAW. Is it a unanimous report?

Mrs. ROGERS of Massachusetts. It is a unanimous report. I think there will be absolutely no controversy on either side.

Mr. HINSHAW. That is fine.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Georgia.

Mr. RAMSPECK. If it is a unanimous report, the conference report on the G. I. bill could be passed by unanimous consent.

Mr. McCORMACK. Of course, we can dispose very quickly of any conference report that is unanimous. It may be that if it is not going to take any protracted time for debate we can take up that conference report.

Mrs. ROGERS of Massachusetts. I do not believe anyone will want to debate it. They may want to vote on it.

#### EXTENSION OF REMARKS

Mr. KLEBERG, Mr. BATES of Massachusetts, and Mr. PACE asked and were given permission to revise and extend their remarks in the RECORD.

(Mr. WOLVERTON asked and was given permission to extend his remarks in the RECORD.)

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole and to include therein an O. P. A. trade bulletin.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole this afternoon and include therein certain propositions of law.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. LAFOLLETTE. Mr. Speaker, I ask unanimous consent to extend my re-

marks in the RECORD and include therein a statement by the Evansville Industrial Union Council, C. I. O.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WEICHEL of Ohio. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole this afternoon and include therein an answer from the Office of Price Administration.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JONES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two different instances and include in one an editorial in regard to John W. Bricker, and in the other an article by William C. Bullitt.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[The matter referred to appears in the Appendix.]

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. RABAUT for an indefinite period on account of attending the ordination into priesthood and the first mass of his son.

#### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1849. An act for the relief of Muskingum Watershed Conservancy District.

#### BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill and a joint resolution of the House of the following titles:

H. R. 3236. An act to provide aid to dependent children in the District of Columbia; and

H. J. Res. 242. Joint resolution to amend an act entitled "An act to protect the lives and health and morals of women and minor workers in the District of Columbia, and to establish a Minimum Wage Board, and define its powers and duties, and to provide for the fixing of minimum wages for such workers, and for other purposes," approved September 19, 1918, as amended.

#### ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p. m.) the House adjourned until Monday, June 12, 1944, at 12 o'clock noon.

#### COMMITTEE HEARINGS

##### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Tuesday, June 13, 1944)

There will be a meeting of the Public Health Subcommittee of the Committee

on Interstate and Foreign Commerce at 10 o'clock a. m. Tuesday, June 13, 1944, to begin public hearings on H. R. 4615, a bill to establish, for the investigation and control of tuberculosis, a division in the Public Health Service, and for other purposes.

##### COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(Tuesday, June 13, 1944)

The Committee on the Merchant Marine and Fisheries will continue its consideration of H. R. 4486, relative to the post-war disposition of merchant vessels, on Tuesday, June 13, 1944, at 10 a. m.

Persons desiring to be heard should notify the clerk of the committee in writing as soon as possible.

##### COMMITTEE ON INVALID PENSIONS

(Wednesday, June 14, 1944)

The Committee on Invalid Pensions will continue hearings on Wednesday, June 14, 1944, at 10 a. m., in the committee room, 247 House Office Building, on H. R. 919 and H. R. 1014, to provide pensions for peacetime veterans at the rate of 90 percent of the compensation payable to war veterans for similar service-connected disabilities, introduced by Chairman LESINSKI, and H. R. 1005, entitled "A bill to increase and equalize the pensions of those persons disabled as the result of service in the Army, Navy, Marine Corps, and Coast Guard," introduced by Representative HENDRICKS, of Florida.

Brig. Gen. Frank T. Hines, Administrator of Veterans' Affairs, will present testimony.

##### COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(Saturday, June 17, 1944)

The Committee on the Merchant Marine and Fisheries will hold a public hearing Saturday, June 17, 1944, at 10 a. m., on H. R. 4968, a bill to amend section 511, (c) of the Merchant Marine Act of 1936, as amended, relative to deposit of vessel proceeds received from the United States in certain cases, and for other purposes.

Persons desiring copies of the printed hearings when available will please notify the clerk by letter.

Witnesses are requested to notify the clerk by letter at least a day in advance of the hearing of their desire to testify in order that a list of witnesses may be prepared. Written statements for the record from persons other than witnesses should be submitted a day in advance. Amendments to be proposed during the hearing should be submitted to the reporter in duplicate.

##### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EBERHARTER: Committee on Ways and Means. H. R. 4837. A bill to extend for an additional 2 years the suspension in part of the processing tax on coconut oil; without amendment (Rept. No. 1621). Referred to the House Calendar.

EXTENDING FOR AN ADDITIONAL 2 YEARS THE SUSPENSION IN PART OF THE PROCESSING TAX ON COCONUT OIL

---

JUNE 10, 1944.—Referred to the House Calendar and ordered to be printed

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Mr. EBERHARTER, from the the Committee on Ways and Means,  
submitted the following

REPORT

[To accompany H. R. 4837]

The Committee on Ways and Means, to whom was referred the bill (H. R. 4837) to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

The purpose of the legislation is to extend for a period of 2 years, or until June 30, 1946, the act of September 16, 1942, which suspends in part the processing tax on coconut oil. The original legislation was enacted for the purpose of making it possible to obtain supplies of copra and coconut oil from outside the United States in order to obtain therefrom materials essential to the war effort. The necessity for continued imports of such supplies still exists.

In 1934 there was enacted a law, now section 2470 of the Internal Revenue Code, which imposed a tax of 3 cents on the first domestic processing of coconut oil, palm oil, palm kernel oil, and their derivatives. In addition, a 2-cent tax was placed on the first domestic processing of coconut oil and its combinations, except that no additional tax was payable on the processing of coconut oil that was the product of the Philippines or derived from copra produced in the Philippines.

During the period from 1937 to 1939, 99.9 percent of the crude coconut oil imported into this country and 93.1 percent of the copra imports were from the Philippines. Thus it is apparent that the effect of the additional 2-cent tax was to give the Philippines a virtual monopoly with respect to copra and coconut oil in the American market.



At the present time, the tax would be of no benefit to the Philippines, for no copra or coconut oil can be brought thence to the United States. More significant is the fact that the reinstatement of the 2-cent tax will constitute a serious obstacle to the purchase, for importation into the United States, of copra and coconut oil produced outside the Philippine Islands, to make up for the loss of the Philippine supply.

The restriction on the importation of copra, which would result from the reinstatement of the additional 2-cent tax, would limit the supply of glycerin. Copra has the highest percentage yield of vegetable oil of any raw material except babassu kernels grown in Brazil, and an important byproduct of the oil is glycerin. Copra and babassu yield from 30 to 40 percent more glycerin per unit than any other vegetable oil material.

The continued importation into this country of sizable quantities of copra and coconut oil is an urgent wartime need. The United States requirements for high lauric acid oils cannot be met without continued importation of copra and coconut oil. Their importance to the war effort is indicated by the fact that over 35 percent of the coconut oil used during the calendar year 1944 will be distributed for such essential war purposes as the synthetic-rubber program, the Chemical Warfare Service, hydraulic brake fluids for airplanes, and plasticizers. The balance will be used for soap, much of which is needed by the Army and Navy.

The following letters have been received from the Foreign Economic Administration, War Food Administration, and the Treasury Department relative to this legislation.

FOREIGN ECONOMIC ADMINISTRATION,  
OFFICE OF THE ADMINISTRATOR,  
Washington, D. C., June 6, 1944.

Hon. R. L. DOUGHTON,  
*Chairman, Committee on Ways and Means,  
House of Representatives, Washington, D. C.*

DEAR MR. DOUGHTON: Your letter of May 22, 1944, requests the views of this Administration with respect to H. R. 4837, a bill to extend for an additional 2 years the suspension in part of the processing tax on coconut oil.

In 1934 there was enacted a law, now section 2470 of the Internal Revenue Code, which imposed a tax of 3 cents on the first domestic processing of coconut oil, palm oil, palm kernel oil, and their derivatives. In addition, a 2-cent tax was placed on the first domestic processing of coconut oil and its combinations, except that no additional tax was payable on the processing of coconut oil that was the product of the Philippines or derived from copra produced in the Philippines.

The additional 2-cent tax was not imposed for revenue purposes, but to extend economic benefits to the Philippines because of the strong ties between them and this country. Its purpose and effect was to give the Philippines a virtual monopoly in this field and to bar the importation of coconut oil or copra from non-Philippine sources. During the period from 1937 to 1939, 99.9 percent of the crude coconut oil imported into this country and 93.1 percent of the copra imports were from the Philippines.

The continuation of the additional tax after the fall of the Philippines could not have benefited those islands, but would have continued to make prohibitive the cost of importing copra and coconut oil from non-Philippine sources. The price ceiling fixed by the Office of Price Administration took into account the 3-cent processing tax but not the additional tax. Recognizing the continued need for the importation of copra and coconut oil, the act of September 16, 1942, suspended the collection of the additional tax until June 30, 1944, subject to the proviso that, upon request of the Government of the Commonwealth of the Philippine Islands and upon a finding that adequate supplies of copra, coconut



oil, or both, produced in the Philippine Islands are available for processing in the United States, the President should by proclamation terminate the suspension of the tax.

The purpose of the bill now under consideration is to extend for a further period of 2 years the act of September 16, 1942. The proviso giving the President the power to terminate the effect of the act in the event that copra and coconut oil from Philippine sources become available would remain in full force and effect.

The continued importation into this country of sizable quantities of copra and coconut oil is an urgent wartime need. The United States requirements for high lauric acid oils cannot be met without continued importation of copra and coconut oil. Their importance to the war effort is indicated by the fact that over 35 percent of the coconut oil used during the calendar year 1944 will be distributed for such essential war purposes as the synthetic rubber program, the chemical warfare service, hydraulic brake fluids for airplanes, and plasticizers. The balance will be used for soap, much of which is needed by the Army and Navy.

Prior to the suspension of the tax, no appreciable amount of coconut oil or copra from non-Philippine sources was imported. Accordingly, the suspension of the tax had no effect on the tax revenues. In making possible the importation of non-Philippine coconut oil and copra, the tax revenues were in fact enhanced to the extent of the basic 3-cent tax on the processing of that coconut oil which was imported or derived from copra imported from non-Philippine sources.

The United States Commercial Company, a corporate agency of this Administration, is responsible for the importation of copra and coconut oil into this country. If the bill is not enacted, it would be compelled to sell the copra and coconut oil which it imports at a lower price, since the current price will not permit processors to pay the 2-cent tax. This would involve a loss of revenues to United States Commercial Company in the next fiscal year estimated at \$3,950,000. Since the copra program currently results in a small net profit, the net loss to the Company for that year would be \$2,860,000 if the world prices of copra and coconut oil are not increased. Present indications are that those prices may increase to a certain extent, in which event the net loss for that year might be increased to as much as \$3,775,000.

In addition, the Commodity Credit Corporation, a corporate agency of the War Food Administration, which, prior to January 1, 1944, handled the importation of coconut oil and copra and now purchases from United States Commercial Company such of the imports as have been stock piled, would for similar reasons take a loss of approximately \$1,500,000 since it, too, would be compelled to sell its inventory at lower prices in order to enable the processors to sell within the ceiling.

In addition, it is estimated that the trade will have on hand on June 30, 1944, 20,000,000 pounds of crude coconut oil. This inventory would be subject to the tax. It is estimated that the trade would, in processing and selling its inventory, suffer a loss of \$400,000 unless a Government subsidy program should be initiated.

It is impractical to remedy this situation by requesting the Office of Price Administration to increase the price ceilings on processed coconut oil. Related fats and oils are highly competitive with each other. The current price ceilings have been fixed so as to maintain the normal competitive relations among the several groups of fats and oils products. An increase in the price of one type of fats and oils would inevitably require reconsideration of the ceiling prices on all fats and oils. Since fats and oils as a group are important for a large number of industrial purposes, including many essential war purposes, as well as for shortening, margarine, mayonnaise, and similar edible purposes, a general price increase in the cost of fats and oils would have marked inflationary effects in contravention of the policy of the Congress as embodied in the Price Control Act.

In view of these considerations, this Administration recommends the enactment of the proposed legislation.

The Bureau of the Budget advises that it has no objection to the submission of this report.

Sincerely yours,

LEO T. CROWLEY, *Administrator.*

WAR FOOD ADMINISTRATION,  
Washington, June 7, 1944.

Hon. R. L. DOUGHTON,  
*Chairman, Committee on Ways and Means,*  
*House of Representatives, Washington, D. C.*

DEAR MR. DOUGHTON. This is in reply to your request of May 22, 1944, for a report on H. R. 4837, a bill to extend for an additional 2 years the suspension in part of the processing tax on coconut oil.

Until the sources of copra in the Far East are again available, the supply of coconut oil will be very limited. It is believed that the interests of American agriculture are safeguarded in the original act of September 16, 1942. A continuation of the suspension of the processing tax to enable us to sell this oil under the ceiling would be helpful.

The War Food Administration recommends passage of the bill.

The Bureau of the Budget advises that it has no objection to the submission of this report.

Sincerely,

MARVIN JONES, *Administrator.*

—  
TREASURY DEPARTMENT,  
Washington, June 7, 1944.

Hon. ROBERT L. DOUGHTON,  
*Chairman, Committee on Ways and Means,*  
*House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: Further reference is made to your letter dated May 22, 1944, enclosing two copies of bill H. R. 4837 entitled "A bill to extend for an additional 2 years the suspension in part of the processing tax on coconut oil." You desire an expression of this Department's views regarding the enactment of the proposed legislation.

The proposed bill would amend section 2 of the act of September 16, 1942, Public Law 711 (77th Cong., 2d sess.), entitled "An act to suspend in part the processing tax on coconut oil by striking out 'June 30, 1944' and inserting in lieu thereof 'June 30, 1946.' " The bill relates to the suspension of the 2 cents per pound additional tax imposed by section 2470 (a) (2) of the Internal Revenue Code on the processing of coconut oil other than that wholly the production of the Philippine Islands or any other possession of the United States, or which was produced wholly from materials the growth or production of the Philippine Islands or any other possession of the United States.

This Department offers no comment on the general policy question involved concerning the enactment of the proposed legislation, believing that to be a matter for the determination of the Congress.

The Director, Bureau of the Budget, has advised the Treasury Department that there is no objection to the presentation of this report.

Very truly yours,

JOHN L. SULLIVAN,  
*Acting Secretary of the Treasury.*

#### CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

Section 2 of the act of September 16, 1942, entitled "An act to suspend in part the processing tax on coconut oil":

Sec. 2. This Act shall become effective the day following its enactment, and shall terminate on [June 30, 1944.] *June 30, 1946.*

78<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4837

[Report No. 1621]

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## IN THE HOUSE OF REPRESENTATIVES

MAY 19, 1944

Mr. EBERHARTER introduced the following bill; which was referred to the Committee on Ways and Means

JUNE 10, 1944

Committed to the Committee of the Whole House on the state of the Union  
and ordered to be printed

---

## A BILL

To extend for an additional two years the suspension in part  
of the processing tax on coconut oil.

- 1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 2 of the Act of September 16, 1942, entitled  
4       “An Act to suspend in part the processing tax on coconut  
5       oil”, is amended by striking out “June 30, 1944” and  
6       inserting in lieu thereof “June 30, 1946”.

Union Calendar No. 547

78<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 4837**

[Report No. 1621]

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## **A BILL**

To extend for an additional two years the suspension in part of the processing tax on coconut oil.

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By Mr. EBERHARTER

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MAY 19, 1944

Referred to the Committee on Ways and Means

JUNE 10, 1944

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed







Thomas N. Curran, of Maine, to be United States marshal for the District of Maine, vice John C. Utterback, resigned.

#### IN THE NAVY

Commodore Andrew F. Carter, U. S. N. R., to be a rear admiral in the Naval Reserve, for temporary service, to continue while serving as executive, Army-Navy Petroleum Board.

#### POSTMASTERS

The following-named persons to be postmasters:

##### ALABAMA

David S. Ward, Cuba, Ala., in place of Jack Vaughan, transferred.

David R. Wyatt, Eden, Ala. Office became Presidential July 1, 1943.

##### ARKANSAS

Benjamin P. Davis, Altus, Ark. Office became Presidential July 1, 1943.

Canda E. Smith, Lowell, Ark. Office became Presidential July 1, 1943.

##### CALIFORNIA

Edward F. Schobert, Lathrop, Calif. Office became Presidential July 1, 1943.

Fred B. Rossi, St. Helena, Calif., in place of Joseph Galewsky, retired.

Charles H. Elgar, San Gabriel, Calif., in place of L. C. Murphy, resigned.

##### FLORIDA

Alice W. Martin, Bay Pines, Fla., in place of L. F. Baxley, removed.

##### IDAHO

Lawrence A. Gillett, Declo, Idaho. Office became Presidential July 1, 1943.

Jessie W. Wilson, Welpe, Idaho, in place of L. M. Pratt, removed.

##### ILLINOIS

Robert E. Ward, Chillicothe, Ill., in place of W. T. McCanna, deceased.

Clarence H. Lindsay, Tilden, Ill., in place of George Lyons, resigned.

##### IOWA

Eugene J. Halligan, Davenport, Iowa, in place of H. J. McFarland, deceased.

Achsa F. Lookabill, Hastings, Iowa. Office became Presidential July 1, 1943.

Fae A. Deitchler, Silver City, Iowa. Office became Presidential July 1, 1943.

##### KANSAS

Ivan R. Cordill, Bern, Kans. Office became Presidential July 1, 1943.

##### MISSISSIPPI

Archie Patterson, Pinola, Miss. Office became Presidential July 1, 1943.

Clara L. Wright, West Enterprise, Miss. Office became Presidential July 1, 1943.

##### NEBRASKA

Walter J. Baur, Dix, Nebr. Office became Presidential July 1, 1943.

##### NEW HAMPSHIRE

Irving Rolston, Greenland, N. H. Office became Presidential July 1, 1943.

##### NEW JERSEY

Fred Gordon Lowden, Leesburg, N. J., in place of G. A. Fowler, resigned.

Catherine E. Kenny, Mountain Lakes, N. J., in place of P. B. Hanlon, resigned.

##### NEW MEXICO

Bettie E. Jones, Corona, N. Mex., in place of R. L. Thomas, resigned.

##### NEW YORK

Mildred M. Jones, Hagsaman, N. Y., in place of L. C. Vunk, removed.

##### NORTH CAROLINA

Jessie L. Shipman, Horse Shoe, N. C. Office became Presidential July 1, 1943.

Audrey Hoggard, Lewiston, N. C. Office became Presidential July 1, 1943.

##### OHIO

Mary I. Timko, Barton, Ohio. Office became Presidential July 1, 1943.

Homer T. Gates, Moscow, Ohio. Office became Presidential July 1, 1943.

Raymond E. Schryver, Warren, Ohio, in place of H. J. Dixon, deceased.

Harry R. Eastwood, West Richfield, Ohio. Office became Presidential July 1, 1943.

##### OKLAHOMA

Florence A. Davis, Goltry, Okla. Office became Presidential July 1, 1943.

Marie Eden, Kinta, Okla. Office became Presidential July 1, 1943.

Rex T. Strickland, Madill, Okla., in place of R. T. Strickland. Incumbent's commission expired June 23, 1942.

Ida M. Duke, Ninnekah, Okla. Office became Presidential July 1, 1943.

Leilah V. Walker, Spavinaw, Okla. Office became Presidential July 1, 1943.

##### OREGON

Fred O. Parsons, Hammond, Oreg. Office became Presidential July 1, 1943.

Isabella E. Lee, Jordan Valley, Oreg., in place of M. M. Anderson, resigned.

##### PENNSYLVANIA

Clarence R. Kring, Davidsville, Pa. Office became Presidential July 1, 1943.

Vernon M. Hatch, Forksville, Pa. Office became Presidential July 1, 1943.

Gertrude M. Reed, Great Bend, Pa., in place of Carrie Stephens, retired.

John Stipanovich, Harwick, Pa. Office became Presidential July 1, 1943.

Carrie Walpusk, Jenners, Pa. Office became Presidential July 1, 1943.

Ralph W. Whipkey, Ohiopyle, Pa. Office became Presidential July 1, 1943.

Pauline J. Ceryak, Tire Hill, Pa., in place of Mary Kauffman, deceased.

##### SOUTH CAROLINA

Anna F. Foy, Early Branch, S. C. Office became Presidential July 1, 1943.

Mattie H. Graham, Pomaria, S. C. Office became Presidential July 1, 1943.

##### SOUTH DAKOTA

Ilah L. Scriver, South Shore, S. Dak. Office became Presidential July 1, 1943.

##### TENNESSEE

Edith Caldwell, Lupton City, Tenn. Office became Presidential July 1, 1943.

Amy E. Davis, Oakdale, Tenn., in place of L. N. Alley, deceased.

##### TEXAS

Hazel M. Ricks, De Kalb, Tex., in place of T. B. Lenox, deceased.

##### VERMONT

John E. Stewart, Morrisville, Vt., in place of J. E. Stewart. Incumbent's commission expired June 23, 1942.

##### VIRGINIA

James B. Blake, Sandston, Va., in place of E. P. White, resigned.

##### WASHINGTON

Velma P. Hix, Duvall, Wash. Office became Presidential July 1, 1943.

##### WEST VIRGINIA

Irvin G. Bowman, Petersburg, W. Va., in place of G. L. Smith, transferred.

Benjamin F. Hall, Thorpe, W. Va. Office became Presidential July 1, 1942.

##### WISCONSIN

Carl W. Janssen, De Pere, Wis., in place of J. S. McHugh, removed.

John J. Burkhard, Monroe, Wis., in place of J. J. Burkhard. Incumbent's commission expired May 28, 1941.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate June 15 (legislative day of May 9), 1944:

##### POSTMASTERS

##### CALIFORNIA

Esther D. Willson, Bigpine.

##### COLORADO

James D. Wilson, Monte Vista.  
Thomas H. Wand, Paonia.

##### KANSAS

Clarence G. Nevins, Dodge City.  
J. S. Shilling, Junction City.  
Helen Six, Lyons.

##### NEW YORK

Harold W. Becker, Catskill.  
Ernest Rose, Central Valley.  
Christena L. Sands, Hamden.  
Graham Chapman, North Cohocton.  
George P. Murphy, Roslyn Heights.  
Frank C. Beams, Schenectady.  
Stephen H. Keating, Waterford.

##### OKLAHOMA

Verdla Comer, Big Cabin.

##### TEXAS

Laura Harrison North, Riviera.  
Robert L. Smith, Roaring Springs.  
Levi E. Baker, Shallowater.  
Clyde V. Welch, Somerville.

##### WASHINGTON

Allison C. Presson, Buena.

##### WYOMING

Fred B. Borne, Hulett.



# House of Representatives

THURSDAY, JUNE 15, 1944

The House met at 11 o'clock a. m. The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who art the Lord of life, as we contemplate Thy works, grant that our hearts may be in tune with nature and in harmony with Thy holy purpose. Speak to us and blend our words in full accord with the music of Thy love and in the strength of Thy wisdom, without which shriveled and sunken would be the world in which we live. Thou who knowest our frame, open our spiritual vision that we may behold the marvelous resources which Thou hast prepared for us.

Be pleased to crowd us this day with self-respect, self-knowledge, and self-control which lead to power and influence. We pray for the urgency of a defiant faith from which the substance of a better world can be born—showing a God who is just and good. Help us to feel the warm flames of sympathetic co-operation, breathing the spirit of the Master, and interpreting His rule of conduct. We would remember that we are debtors to a great host of brave men who are serving us that there may be fewer shackles, less guilt and misery among fallen humanity. Do Thou encourage us to be brave and open-minded men and women, deserving the great honor which our Republic has bestowed upon us. At this Capitol shrine, we pray that we may reassert and renew our obligations, work and pray for the highest good. We lift our praise to Thee, O Saviour. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### PROCESSING TAX ON COCONUT OIL

Mr. EBERHARTER. Mr. Speaker, at the request of the gentleman from North Carolina [Mr. DOUGHTON], I ask unanimous consent for the immediate consideration of the bill (H. R. 4837) to extend for an additional 2 years the suspension in part of the processing tax on coconut oil.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. REED of New York. Reserving the right to object, Mr. Speaker, and I am not going to object since I am in favor of the bill. I believe, however, that an explanation of the bill by the gentleman from Pennsylvania would be in order.

Mr. EBERHARTER. I shall be glad to make an explanation as well as I can. I may say in the first instance that this bill was unanimously reported by the Committee on Ways and Means. Its pas-

sage was recommended and even requested by Mr. Crowley, of the Foreign Economic Administration, and Mr. Marvin Jones, of the War Food Administration. It merely extends for an additional period of time the suspension of the processing tax on coconut oil. Originally a processing tax act was passed which gave a monopoly to the importation of coconut oil into this country from the Philippine Islands. Since we are unable to obtain any coconut oil from the Philippine Islands under the present military situation, there is no necessity for such an act any more. Two years ago a law was passed suspending that particular tax act, and this bill merely extends that suspension for an additional 2 years.

Mr. REED of New York. The fact is that, not being able to get this copra and coconut oil from the Philippine Islands, we are deprived of a source of glycerin, which is so essential to the war.

Mr. EBERHARTER. That is correct.

Mr. REED of New York. The extension of this act makes it possible for us to receive this essential source of war materials from sundry islands around the world where coconuts are grown.

Mr. EBERHARTER. That is exactly the situation. Nearly all of this coconut oil is used directly for war purposes. In fact, the importation of it is under the control of the United States Commercial Company, which is an agency of the Federal Government.

Mr. REED of New York. Showing the importance of this, at the present time a great appeal is being made to the housewives to save all the grease possible and turn it in for the manufacture of glycerin.

Mr. EBERHARTER. That is correct.

Mr. REED of New York. In the last World War squads of men had to go over the battlefields and collect everything that could be turned into glycerin. It is so essential that this bill should be passed without controversy.

Mr. EBERHARTER. This is a war measure and it is absolutely necessary. As the gentleman from New York has so well said, it should be passed at this time.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.* That section 2 of the act of September 16, 1942, entitled "An act to suspend in part the processing tax on coconut oil," is amended by striking out "June 30, 1944" and inserting in lieu thereof "June 30, 1946."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## INDEPENDENT OFFICES APPROPRIATION BILL, 1945

Mr. WOODRUM of Virginia. Mr. Speaker, I call up the conference report on the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1945, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 14, 1944.)

Mr. WOODRUM of Virginia. Mr. Speaker, this is in effect a unanimous report, which has been submitted by your conferees. It disposes of all amendments which were in disagreement between the two Houses, and we had a total of 20 amendments in disagreement at the second conference. If the report and the subsequent motions on amendments in technical disagreement are acted upon favorably, it will dispose of the independent offices appropriation bill as far as the House is concerned, and it will go to the President for approval slightly in excess of \$39,000,000 under the Budget estimates submitted to the Congress for consideration in connection with the bill.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 35: On page 29, after line 1, insert the following:

"All funds heretofore appropriated to the Public Roads Administration for the construction of roads but impounded or withheld from obligation or expenditure by any agency or official are hereby released and made available for obligation or expenditure for the purposes for which they were originally appropriated."

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WOODRUM of Virginia moves that the House recede from its disagreement to the amendment of the Senate No. 35, and agree to the same with an amendment, as follows: At the end of the matter proposed to be inserted by said amendment, and before the period, insert the following: "subject to the approval of the Chairman of the War Manpower Commission as to the availability of manpower and subject to the approval of the



June  
16.



78<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4837

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IN THE SENATE OF THE UNITED STATES

JUNE 16 (legislative day, MAY 9), 1944

Read twice and referred to the Committee on Finance

---

## AN ACT

To extend for an additional two years the suspension in part of  
the processing tax on coconut oil.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 2 of the Act of September 16, 1942, entitled  
4       “An Act to suspend in part the processing tax on coconut  
5       oil”, is amended by striking out “June 30, 1944” and  
6       inserting in lieu thereof “June 30, 1946”.

Passed the House of Representatives June 15, 1944.

Attest:

SOUTH TRIMBLE,

*Clerk.*

78<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

H. R. 4837

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## AN ACT

---

To extend for an additional two years the suspension in part of the processing tax on coconut oil.

---

JUNE 16 (legislative day, MAY 9), 1944

Read twice and referred to the Committee on Finance





EXTENDING FOR AN ADDITIONAL 2 YEARS THE SUSPENSION IN  
PART OF THE PROCESSING TAX ON COCONUT OIL, AND CORRECT-  
ING TYPOGRAPHICAL ERROR IN INDIVIDUAL INCOME TAX ACT  
OF 1944

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JUNE 21 (legislative day, MAY 9), 1944.—Ordered to be printed

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Mr. GEORGE, from the Committee on Finance, submitted the following

R E P O R T

[To accompany H. R. 4837]

The Committee on Finance, to whom was referred the bill (H. R. 4837) to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The general purpose of the House bill, as indicated in the title, is to extend for an additional 2 years the suspension in part of the processing tax on coconut oil. The necessity for this action is fully explained in the report of the Committee on Ways and Means of the House of Representatives (H. Rept. No. 1621, 78th Cong., 2d sess.), which is included herein.

A committee amendment corrects a typographical error in the Individual Income Tax Act of 1944, approved by the President on May 29. In the tax table in Supplement T, the alternative tax for individuals with adjusted gross income of less than \$5,000, the tax, in the case of an individual whose adjusted gross income is at least \$1,075 but less than \$1,100 and who has one surtax exemption, appears as \$100, instead of \$110, as passed by both Houses. In the enrollment of the bill the typographical error was not discovered. The committee amendment corrects the error.

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[H. Rept. No. 1621, 78th Cong., 2d sess.]

The Committee on Ways and Means, to whom was referred the bill (H. R. 4837) to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

## GENERAL STATEMENT

The purpose of the legislation is to extend for a period of 2 years, or until June 30, 1946, the act of September 16, 1942, which suspends in part the processing tax on coconut oil. The original legislation was enacted for the purpose of making it possible to obtain supplies of copra and coconut oil from outside the United States in order to obtain therefrom materials essential to the war effort. The necessity for continued imports of such supplies still exists.

In 1934 there was enacted a law, now section 2470 of the Internal Revenue Code, which imposed a tax of 3 cents on the first domestic processing of coconut oil, palm oil, palm kernel oil, and their derivatives. In addition, a 2-cent tax was placed on the first domestic processing of coconut oil and its combinations, except that no additional tax was payable on the processing of coconut oil that was the product of the Philippines or derived from copra produced in the Philippines.

During the period from 1937 to 1939, 99.9 percent of the crude coconut oil imported into this country and 93.1 percent of the copra imports were from the Philippines. Thus it is apparent that the effect of the additional 2-cent tax was to give the Philippines a virtual monopoly with respect to copra and coconut oil in the American market.

At the present time, the tax would be of no benefit to the Philippines, for no copra or coconut oil can be brought thence to the United States. More significant is the fact that the reinstatement of the 2-cent tax will constitute a serious obstacle to the purchase, for importation into the United States, of copra and coconut oil produced outside the Philippine Islands, to make up for the loss of the Philippine supply.

The restriction on the importation of copra, which would result from the reinstatement of the additional 2-cent tax, would limit the supply of glycerin. Copra has the highest percentage yield of vegetable oil of any raw material except babassu kernels grown in Brazil, and an important byproduct of the oil is glycerin. Copra and babassu yield from 30 to 40 percent more glycerin per unit than any other vegetable oil material.

The continued importation into this country of sizable quantities of copra and coconut oil is an urgent wartime need. The United States requirements for high lauric acid oils cannot be met without continued importation of copra and coconut oil. Their importance to the war effort is indicated by the fact that over 35 percent of the coconut oil used during the calendar year 1944 will be distributed for such essential war purposes as the synthetic-rubber program, the Chemical Warfare Service, hydraulic brake fluids for airplanes, and plasticizers. The balance will be used for soap, much of which is needed by the Army and Navy.

The following letters have been received from the Foreign Economic Administration, War Food Administration, and the Treasury Department relative to this legislation.

FOREIGN ECONOMIC ADMINISTRATION,  
OFFICE OF THE ADMINISTRATOR,  
Washington, D. C., June 6, 1944.

Hon. R. L. DOUGHTON,  
*Chairman, Committee on Ways and Means,  
House of Representatives, Washington, D. C.*

DEAR MR. DOUGHTON: Your letter of May 22, 1944, requests the views of this Administration with respect to H. R. 4837, a bill to extend for an additional 2 years the suspension in part of the processing tax on coconut oil.

In 1934 there was enacted a law, now section 2470 of the Internal Revenue Code, which imposed a tax of 3 cents on the first domestic processing of coconut oil, palm oil, palm kernel oil, and their derivatives. In addition, a 2-cent tax was placed on the first domestic processing of coconut oil and its combinations, except that no additional tax was payable on the processing of coconut oil that was the product of the Philippines or derived from copra produced in the Philippines.

The additional 2-cent tax was not imposed for revenue purposes, but to extend economic benefits to the Philippines because of the strong ties between them and this country. Its purpose and effect was to give the Philippines a virtual monopoly in this field and to bar the importation of coconut oil or copra from non-Philippine sources. During the period from 1937 to 1939, 99.9 percent of the crude coconut oil imported into this country and 93.1 percent of the copra imports were from the Philippines.

The continuation of the additional tax after the fall of the Philippines could not have benefited those islands, but would have continued to make prohibitive the cost of importing copra and coconut oil from non-Philippine sources. The



price ceiling fixed by the Office of Price Administration took into account the 3-cent processing tax but not the additional tax. Recognizing the continued need for the importation of copra and coconut oil, the act of September 16, 1942, suspended the collection of the additional tax until June 30, 1944, subject to the proviso that, upon request of the Government of the Commonwealth of the Philippine Islands and upon a finding that adequate supplies of copra, coconut oil, or both, produced in the Philippine Islands are available for processing in the United States, the President should by proclamation terminate the suspension of the tax.

The purpose of the bill now under consideration is to extend for a further period of 2 years the act of September 16, 1942. The proviso giving the President the power to terminate the effect of the act in the event that copra and coconut oil from Philippine sources become available would remain in full force and effect.

The continued importation into this country of sizable quantities of copra and coconut oil is an urgent wartime need. The United States requirements for high lauric acid oils cannot be met without continued importation of copra and coconut oil. Their importance to the war effort is indicated by the fact that over 35 percent of the coconut oil used during the calendar year 1944 will be distributed for such essential war purposes as the synthetic rubber program, the chemical warfare service, hydraulic brake fluids for airplanes, and plasticizers. The balance will be used for soap, much of which is needed by the Army and Navy.

Prior to the suspension of the tax, no appreciable amount of coconut oil or copra from non-Philippine sources was imported. Accordingly, the suspension of the tax had no effect on the tax revenues. In making possible the importation of non-Philippine coconut oil and copra, the tax revenues were in fact enhanced to the extent of the basic 3-cent tax on the processing of that coconut oil which was imported or derived from copra imported from non-Philippine sources.

The United States Commercial Company, a corporate agency of this Administration, is responsible for the importation of copra and coconut oil into this country. If the bill is not enacted, it would be compelled to sell the copra and coconut oil which it imports at a lower price, since the current price will not permit processors to pay the 2-cent tax. This would involve a loss of revenues to United States Commercial Company in the next fiscal year estimated at \$3,950,000. Since the copra program currently results in a small net profit, the net loss to the Company for that year would be \$2,860,000 if the world prices of copra and coconut oil are not increased. Present indications are that those prices may increase to a certain extent, in which event the net loss for that year might be increased to as much as \$3,775,000.

In addition, the Commodity Credit Corporation, a corporate agency of the War Food Administration, which, prior to January 1, 1944, handled the importation of coconut oil and copra and now purchases from United States Commercial Company such of the imports as have been stock-piled, would for similar reasons take a loss of approximately \$1,500,000 since it, too, would be compelled to sell its inventory at lower prices in order to enable the processors to sell within the ceiling.

In addition, it is estimated that the trade will have on hand on June 30, 1944, 20,000,000 pounds of crude coconut oil. This inventory would be subject to the tax. It is estimated that the trade would, in processing and selling its inventory, suffer a loss of \$400,000 unless a Government subsidy program should be initiated.

It is impractical to remedy this situation by requesting the Office of Price Administration to increase the price ceilings on processed coconut oil. Related fats and oils are highly competitive with each other. The current price ceilings have been fixed so as to maintain the normal competitive relations among the several groups of fats and oils products. An increase in the price of one type of fats and oils would inevitably require reconsideration of the ceiling prices on all fats and oils. Since fats and oils as a group are important for a large number of industrial purposes, including many essential war purposes, as well as for shortening, margarine, mayonnaise, and similar edible purposes, a general price increase in the cost of fats and oils would have marked inflationary effects in contravention of the policy of the Congress as embodied in the Price Control Act.

In view of these considerations, this Administration recommends the enactment of the proposed legislation.

The Bureau of the Budget advises that it has no objection to the submission of this report.

Sincerely yours,

LEO T. CROWLEY, *Administrator.*

WAR FOOD ADMINISTRATION,  
Washington, June 7, 1944.

Hon. R. L. DOUGHTON,  
*Chairman, Committee on Ways and Means,*  
*House of Representatives, Washington, D. C.*

DEAR MR. DOUGHTON: This is in reply to your request of May 22, 1944, for a report on H. R. 4837, a bill to extend for an additional 2 years the suspension in part of the processing tax on coconut oil.

Until the sources of copra in the Far East are again available, the supply of coconut oil will be very limited. It is believed that the interests of American agriculture are safeguarded in the original act of September 16, 1942. A continuation of the suspension of the processing tax to enable us to sell this oil under the ceiling would be helpful.

The War Food Administration recommends passage of the bill.

The Bureau of the Budget advises that it has no objection to the submission of this report.

Sincerely,

MARVIN JONES, *Administrator.*

TREASURY DEPARTMENT,  
Washington, June 7, 1944.

Hon. ROBERT L. DOUGHTON,  
*Chairman, Committee on Ways and Means,*  
*House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: Further reference is made to your letter dated May 22, 1944, enclosing two copies of bill H. R. 4837 entitled "A bill to extend for an additional 2 years the suspension in part of the processing tax on coconut oil." You desire an expression of this Department's views regarding the enactment of the proposed legislation.

The proposed bill would amend section 2 of the act of September 16, 1942, Public Law 711 (77th Cong., 2d sess.), entitled "An act to suspend in part the processing tax on coconut oil by striking out 'June 30, 1944' and inserting in lieu thereof 'June 30, 1946.' " The bill relates to the suspension of the 2 cents per pound additional tax imposed by section 2470 (a) (2) of the Internal Revenue Code on the processing of coconut oil other than that wholly the production of the Philippine Islands or any other possession of the United States, or which was produced wholly from materials the growth or production of the Philippine Islands or any other possession of the United States.

This Department offers no comment on the general policy question involved concerning the enactment of the proposed legislation, believing that to be a matter for the determination of the Congress.

The Director, Bureau of the Budget, has advised the Treasury Department that there is no objection to the presentation of this report.

Very truly yours,

JOHN L. SULLIVAN,  
*Acting Secretary of the Treasury.*

#### CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

Section 2 of the act of September 16, 1942, entitled "An act to suspend in part the processing tax on coconut oil":

"Sec. 2. This Act shall become effective the day following its enactment, and shall terminate on [June 30, 1944.] *June 30, 1946.*"



The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4361) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

#### EXTENSION OF SUSPENSION IN PART OF PROCESSING TAX ON COCONUT OIL

Mr. GEORGE. Mr. President, I have conferred with the Senator from Wyoming [Mr. O'MAHONEY], in charge of the District of Columbia appropriation bill, and it is agreeable to him that the Senate take up for immediate consideration House bill 4337, which was unanimously favorably reported by the Senate Finance Committee earlier today. I therefore move that the pending measure be temporarily laid aside, and that the Senate proceed to consider House bill 4337.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4337) to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, which had been reported from the Committee on Finance with amendments.

Mr. GEORGE. Mr. President, this bill extends an act which was passed by the Congress a little more than 2 years ago suspending in part the duty on coconut oil and copra for a period of 2 years. That period expires on June 30. A processing tax of 3 cents was levied in 1934 on coconut oil and copra, copra being the raw material from which the oil is made. An additional 2 cents was levied on the same products not derived wholly from Philippine production or the production of our own insular possessions. The obvious purpose was to give preference to the Philippines. Actually, between 1937 and 1939 we imported 99.1 percent of all coconut oil from the Philippines, and 93.1 percent of all copra from the Philippines. So nearly all our importations came from the Philippines, and the processing tax was paid by manufacturers and users of the raw products.

It is desirable to extend this partial suspension again, because the Philippines are receiving no benefit from the processing tax, and it simply adds to the cost. Coconut oil and copra are one of the chief sources of glycerine, which is a highly necessary war product. The extension was recommended by all the appropriate agencies of the Government which were consulted, and the bill was unanimously passed by the House.

The Senate committee has added one amendment to the bill. The amendment merely corrects a typographical error in the tax simplification bill recently passed by the Congress. Persons having a gross adjusted income of at least \$1,075, and not more than \$1,100, according to the table printed in the bill actually signed by the President, were to pay a tax of \$100, whereas the bill as it passed the House and Senate fixed the tax at \$110. The amendment reported

by the Senate Finance Committee is merely to correct that typographical error.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. WHITE. Do I correctly understand the Senator to say that in addition to the approval of the various governmental agencies interested in the matter, the bill comes to the Senate with the unanimous approval of the Finance Committee?

Mr. GEORGE. It does.

The PRESIDING OFFICER. The clerk will state the amendment reported by the committee.

The amendment of the Committee on Finance was, on page 1, after line 6, to insert a new section as follows:

SEC. 2. (a) Section 400 of the Internal Revenue Code, as amended, is amended by striking out, in the third column of the table contained therein, the figures "100" the second time they appear in such column and inserting in lieu thereof the figures "110."

(b) The amendment made by subsection (a) shall apply to the computation of income tax under Supplement T of chapter 1 of such Code in the case of taxable years beginning after December 31, 1943.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill H. R. 4337 was read the third time, and passed.

The title was amended so as to read: "An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, and to correct a typographical error in the Individual Income Tax Act of 1944."

Mr. GEORGE. Mr. President, I thank the Senator from Wyoming for his courtesy.

Mr. O'MAHONEY. The Senator from Georgia is very welcome.

#### DISTRICT OF COLUMBIA APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4361) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes.

Mr. O'MAHONEY. Mr. President, there is nothing controversial in this supply bill for the District of Columbia. The measure, as it passed the House of Representatives, contained an appropriation of \$68,585,607. In the Senate there was added to this sum \$563,441, most of which is accounted for by supplemental estimates which were submitted by the Bureau of the Budget after the House had acted. There were one or two further items—three, as a matter of fact—the largest of which was \$61,779, to supply housekeeping assistance under the Health Department. I am sure that Senators will find from an examination of the report, which I ask unanimous consent to have printed in the Record at this point, that the recommendations

of the committee should be accepted. As I say, there is nothing controversial in the bill, and I ask that the Senate now proceed to the consideration of the committee amendments.

There being no objection, the report (No. 938) was ordered to be printed in the Record, as follows:

The Committee on Appropriations, to whom was referred the bill (H. R. 4361) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House—	\$68,585,607
Amount added by Senate—	563,441

Amount of bill as reported to Senate—	69,149,048
Amount of regular and supplemental estimates for 1945—	67,849,959
Amount of appropriations, 1944—	58,127,344

The bill as reported to the Senate—	
Exceeds the estimates for 1945—	1,299,089
Exceeds the appropriations for 1944—	11,021,704

#### SUPPLEMENTAL ESTIMATES

The committee had before it for consideration in connection with the District of Columbia appropriation bill for the fiscal year 1945, the following supplemental estimates contained in Senate Document No. 200:

- |  |         |
|--|---------|
| (1) Regulatory agencies: Department of Insurance—  | \$6,351 |
| (2) Public schools: Permanent improvement of grounds, as follows: Stabilization and drainage of the grounds at the Young Elementary School, Browne Junior High School, and Phelps Vocational School— | 110,000 |
| (3) Fire Department: To provide funds to cover increases made under Public Law 297, approved May 5, 1944, for captains, lieutenants, and sergeants—  | 43,000  |
| (4) Courts: Municipal court (reallocation increases approved by the Civil Service Commission since the Budget was transmitted to Congress)—  | 14,700  |
| (5) Health Department: Glenn Dale Tuberculosis Sanatorium—   | 19,000  |
| Gallinger Municipal Hospital—  | 66,184  |
| (6) Public Welfare: Capital outlay, child care (site for a new receiving home and admission center for children)—  | 30,000  |
| Capital outlay, Juvenile Correction Service (site for National Training School for Girls and other public-welfare institutions)—   | 58,000  |
| (7) Public Works: Office of Municipal Architect—   | 16,600  |

Total supplemental estimates— 368,835  
The changes in the amounts of the House bill recommended by the committee are as follows:

Increases and limitations	
Regulatory agencies:	
Department of Insurance—	\$6,351



This increase was proposed in S. Doc. 200 for the following:

Deputy Superintendent, P-5	\$4,600
Rate clerk, CAF-9	3,200
Clerk-stenographer, CAF-4	1,800
Overtime	900

Gross increase	10,500
Less 1 position to be absorbed, \$3,800 plus \$300 overtime	-4,100
	<u>6,400</u>

(This item is recommended in a supplemental Budget estimate contained in S. Doc. 200.)

Minimum Wage and Industrial Safety Board:

1 inspector, Industrial Safety Unit, SP-6	2,000
Overtime for proposed position	300
Travel	60

Total, Minimum Wage and Industrial Board	2,360
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Office of Recorder of Deeds: Salaries	4,692
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Public Utilities Commission: Printing of laws of Public Utility Commission	650
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Total, regulatory agencies	14,053
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Public schools:

Operating expenses:

General administration:  
Department of school attendance and work permits:

2 attendance officers	2,800
1 clerk, CAF-3	1,620
Clerical service room: 3 clerks, CAF-2	4,320
Statistical office: 1 clerk, CAF-3	1,620
Adjusted amount for wartime additional compensation and overtime pay	1,745

Total, general administration	12,105
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General supervision and instruction:

8 clerks, CAF-3 (10 months)	10,800
Overtime pay for 8 clerks (10 months)	2,000
Restoration of over-all reduction	12,800

Total, general supervision	25,600
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Capital outlay:

For permanent improvement of grounds, as follows: Stabilization and drainage of the grounds at the Young Elementary School, Browne Junior High School, and Phelps Vocational School

110,000

(This amount is recommended together with the unexpended balance of the appropriation of \$25,000 for stabilization and drainage of the grounds of the Browne Junior High School and Phelps Vocational School contained in the District of Columbia Appropriation Act, 1944.)

(This item was recommended in a sup-

Public schools—Continued.

Public outlay:

plemental budget estimate contained in S. Doc. 200.)

For an additional amount for the construction of a new extensible 8-room elementary school building, in the vicinity of Hillside Road and Alabama Avenue SE

\$45,000

Total, public schools	192,705
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Recreation Department:

Operating expenses:

2 senior recreation directors, Sp 5	3,600
4 recreation directors, Sp. 4	6,480
1 messenger, CPC-3	1,320
Overtime	2,100

Total, Recreation Department	13,500
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Metropolitan Police:

The committee recommend that the following language be stricken from the bill: "the present property clerk with the rank and pay of inspector."

The committee recommend that the following language be stricken from the bill: "with the rank and pay", and that the following be inserted in lieu thereof: "in the salary grade."

Fire Department	48,000
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This proposed increase is based on a supplemental estimate included in S. Doc. 200, in order to provide funds to cover increases made under Public Law 297, approved May 5, 1944, for captains, lieutenants, and sergeants in the Fire Department.

Department of Civilian Defense:

The committee recommend that the following provision be amended as indicated:

"For all expenses necessary for carrying out the provisions of the act of December 26, 1941, to authorize black-outs in the District of Columbia, as amended, including the protective services of the Citizens Defense Corps; the employment of personal services without regard to civil-service or classification laws, and printing and binding; \$100,000, to remain available until expended."

The Commissioners stated that since the passage of the bill in the House, they have received notice that it is the desire of the War Department to decrease civilian-defense activities, and they are accordingly now in process of effecting economies in expenditures for those activities, and now feel that an adequate civilian defense organization can be maintained during the fiscal year 1945 within the amount allowed by the House bill, which was a decrease of \$50,000 under the Budget estimates.

However, the proposed change of language is necessary in order to include within the activities proposed to be covered by this appropriation item the civilian war services division, under the authority of an amendment to the Black-out Act approved July 13,

1943, Public Law 145, 78th Cong. Courts:

Juvenile court: 1 probation officer at \$2,000 plus overtime	\$2,300
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Municipal court:

Reallocations	14,700
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Recommended in a supplemental budget estimate contained in S. Doc. 200.

1 CAF position, \$1,620 per annum plus overtime	1,920
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Total, municipal court	16,620
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Municipal court of appeals:

3 law clerks, P-2, at \$2,600 each	7,800
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Overtime of the 3 law clerks at \$300 each	900
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Total, municipal court of appeals	8,700
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Total, courts	27,620
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Health Department:

Health Department (excluding hospitals): Housekeeping assistance

61,779

(The committee recommend this amount to continue this service during the fiscal year 1945, and to provide for an increase in the number of housekeeping aides from 30 to 50.)

The committee recommend that the following language be added to the bill: "including housekeeping assistance in cases of authentic indigent sick."

Glenn Dale Tuberculosis Sanatorium

19,000

The amount recommended by the committee, and proposed in a supplemental budget estimate contained in Senate Document 200, is for the following purposes:

3 chauffeurs, CPC-4, at \$1,500	\$4,500
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Overtime for 3 chauffeurs	900
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Rental of 3 busses, 365 days at \$4.70 per day each	5,260
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Maintenance of busses, 76,300 miles, at \$0.11 per mile	8,404
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Total	19,064
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Gallinger Municipal Hospital:

To increase salary of the Superintendent from \$6,500 to \$9,500 per annum

3,000

Repairs and improvements

66,184

The amount of \$66,184 recommended by the committee is for the following purposes:

Psychopathic ward:

(a) Painting exterior woodwork and metal work	\$15,000
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(b) Repair of all damaged plaster	1,250
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(c) Replacement of main lobby floor with terrazo floor	3,000
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(d) Sanding and refinishing wood floors	2,000
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(e) Surfacing all concrete floors with asphalt tile	9,000
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Wolcott] providing for adjustment of gross inequities in rents. Does that mean they will attempt to correct the slight inequities and neglect the large ones? But again what does "substantial" mean? Does it mean \$2 or 5 percent? And still again what are they going to do about "comparability"? If two houses side-by-side, comparable in every respect, have differences in rental ranging from 100 percent to 300 percent, is that a case for adjustment?

Finally, Mr. Speaker, I draw attention to certain words that may mean much or little in the administration of this act—"hardship," "substantial," "unavoidable," "peculiar circumstances," "comparable," and so forth. The interpretation of these words by the Administrator will determine whether he has conformed to the will of Congress or not. Mr. Speaker, I have done the best I could to provide an administration of rent control based on fairness to the owners of property and to the renters, likewise. My thanks to those of my colleagues supporting me in these efforts. If we fail it will not be because of any failure on our part to bring to the light of day the injustices that have arisen in the past.

[Mr. KUNKEL addressed the House. His remarks will appear hereafter in the Appendix.]

[Mr. JENKINS addressed the House. His remarks will appear hereafter in the Appendix.]

The SPEAKER. The time of the gentleman from California has expired. All time has expired.

Mr. SPENCE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. SPENCE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the conference report just passed, immediately after the other remarks that have been made thereon.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the conference report just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate insists upon its amendment to the bill (H. R. 3646) entitled "An act to amend section 42 of title 7 of the Canal Zone Code," requests

a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STEWART, Mr. PEPER, and Mr. BUSHFIELD to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4204) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 10 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1718) entitled "An act to provide for the settlement of claims arising from terminated war contracts, and for other purposes."

#### EXTENSION OF REMARKS

Mr. IZAC. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today on two bills.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter which a soldier sent home to his parents in Indiana.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two different places, in one to include an editorial and a statement by the Honorable E. D. Lambright, and in the other to include a speech made before the Disabled American Veterans.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to extend my remarks on the conference report just passed immediately following the remarks of the gentleman from California [Mr. IZAC].

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the conference report just passed and include therein certain excerpts from the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROWE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD concerning the death of a newspaperman.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

[The matter referred to appears in the Appendix.]

Mr. JONES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein certain extraneous matter. I have an estimate from the Public Printer that it will cost \$225.40, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

(Mr. SCHWABE asked and was given permission to extend his remarks in the RECORD.)

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two different subjects.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on four different matters and include therein certain excerpts and some correspondence.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks



in the RECORD on the O. P. A. and on the conference report just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### EXTENSION OF SUSPENSION IN PART OF THE PROCESSING TAX ON COCONUT OIL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4837) to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

After line 6 insert:

"SEC. 2. (a) Section 400 of the Internal Revenue Code, as amended, is amended by striking out, in the third column of the table contained therein, the figure '100' the second time they appear in such column and inserting in lieu thereof the figures '110.'

"(b) The amendment made by subsection (a) shall apply to the computation of income tax under supplement T of chapter 1 of such code in the case of taxable years beginning after December 31, 1943."

Amend the title so as to read: "An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, and to correct a typographical error in the Individual Income Tax Act of 1944."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the Senate amendments?

Mr. DOUGHTON. Mr. Speaker, the bill, as passed by the House, extends for 2 years, until June 30, 1946, the suspension of the additional 2-cent tax of coconut oil from sources other than the Philippine Islands. The Senate agrees to the House bill with an amendment.

The Senate amendment corrects a typographical error made in the enrollment of the Individual Income Tax Act of 1944, approved by the President on May 29. In the tax table in supplement T, the alternative tax for individuals with adjusted gross income of less than \$5,000, the tax, in the case of an individual whose adjusted gross income is at least \$1,075 but less than \$1,100 and who has one surtax exemption, appears as \$100, instead of \$110, as passed by both Houses. The Senate amendment corrects the error, and the Senate also amends the title.

Mr. AUGUST H. ANDRESEN. I understand the 2-percent tax is still left in the law.

Mr. DOUGHTON. It extends the time that would have expired at the end of this month and extends the time for 2 years, until June 30, 1946, except for the Philippine Islands.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. JENKINS. I understand the Senate has again exercised that prerogative of adding some sort of little,

trifling amendment to the real bill about which the gentleman is speaking?

Mr. DOUGHTON. I will say to the distinguished gentleman from Ohio it was discovered there was an error made in the enrollment of the individual income tax law of 1944. That being the case it was necessary to correct that error and this was the only opportunity to do it.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

(By unanimous consent, Mr. DOUGHTON received permission to revise and extend his remarks.)

#### EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that all Members who have special orders to address the House tonight be permitted to extend their remarks in the RECORD at this point, if they so desire.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COLE of New York. Mr. Speaker, several decades ago America's great poet-philosopher, Ralph Waldo Emerson, asserted that the true test of civilization is not the census nor the size of the cities nor the crops—"no, but the kind of man a country turns out." The kind of man a nation turns out was his measure of that nation's greatness. It is not the vastness of the nation's territorial domain, it is not its unlimited resources, it is not the hordes of people dwelling within its limits nor the monuments and memorials erected to the glory of its past that makes a nation strong and enduring. It is the character of its citizenry.

How revealing this statement of Emerson becomes when we look back over the ages and note the rise of such great civilizations as Egypt, Greece, and Rome, each in its turn representing the acme of the intellectual, scientific, and cultural advancement of its day, but each in its turn sinking into comparative oblivion as the force of moral disintegration and decay began to soften the character of its citizenry. Unhappily, there are a great many Americans, far too many, who today are either unmindful of the spiritual dangers which threaten our national life or are convinced that our fabulous riches and resources, our great reservoir of skilled and highly trained population, our vast stretches of fertile lands, wooded mountains and broad rivers, our lofty skyscrapers, our bank vaults jammed with gold, our scientific and technological geniuses, or our favored position as God's chosen people, will save us from the dangers and disasters which have befallen not only Egypt, Greece, and Rome, but all other earlier peoples and civilizations who failed to keep themselves morally strong.

This blind confidence and this smug complaisance are certain to lead to our slow but inevitable destruction as a great people. No nation, just as no individual, can long continue to have the finer and better material things in life unless it deserves them through the living of an honorable, honest, and a moral life. In the long run, each of us receives just about that to which we are entitled as measured by the quality of our character, the strength of our integrity, and the hardness of our moral stamina. It is equally so with nations.

Mr. Speaker, one of the consequences of the war in which we are now engaged and which is cause for genuine alarm is the rapid growth of juvenile delinquency and the increasing waywardness of our children. War's destructive arm not only demolishes homes, factories, and cities, not only maims, blinds, cripples, and kills the best of our manhood, but even extends its blighting hand to warp the minds and hearts of our children. It is unnecessary for me to recite statistics and figures to establish the fact that moral delinquency among our youth is steadily increasing. One needs only to observe for himself as he rides the trains, visits the hotels, the cocktail bars, the places of amusement and even as he walks the streets of any of our cities, to be convinced that here is a condition which, if allowed to continue unchecked, will inevitably result in a weakening of our national character.

Already many of our larger cities have inaugurated programs looking toward a mitigation of this evil by opening and making available to the young people places of amusement and entertainment conducted under wholesome conditions and proper influences. There are other plans and programs aimed at curbing the same evil. Unquestionably, such movements are highly beneficial and have already been proven to be immensely worth while but they are not sufficient nor do they strike at the heart of the evil. It is not enough that we simply provide our children with activities which will remove them from the influences of temptation; we must go further and teach them the difference between good and evil and show them that the good way of life possesses certain rewards and that the evil way entails inevitable pains and penalties. Nor is it enough that we enact legislation proscribing certain kinds of human behavior which are generally accepted to be immoral.

I am convinced that one of the reasons why young people go astray, if not the main reason, is that they do not properly understand what is good and what is bad in the field of human behavior. We may build all the parks, playgrounds, and amusement places that money can buy, but that alone will not effectively teach this fundamental lesson.

What, then, is the best way to instill in the minds of the children a knowledge and training in the right kind of living so that they will be able to distinguish between right and wrong, so that they will desire to choose the right instead of the wrong, and so that they will develop the habit of doing right? Certainly, we cannot legislate goodness into the hearts

June  
30





[PUBLIC LAW 390—78TH CONGRESS]

[CHAPTER 332—2D SESSION]

[H. R. 4837]

AN ACT

To extend for an additional two years the suspension in part of the processing tax on coconut oil, and to correct a typographical error in the Individual Income Tax Act of 1944.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 2 of the Act of September 16, 1942, entitled "An Act to suspend in part the processing tax on coconut oil", is amended by striking out "June 30, 1944" and inserting in lieu thereof "June 30, 1946".

SEC. 2. (a) Section 400 of the Internal Revenue Code, as amended, is amended by striking out, in the third column of the table contained therein, the figures "100" the second time they appear in such column and inserting in lieu thereof the figures "110".

(b) The amendment made by subsection (a) shall apply to the computation of income tax under Supplement T of Chapter 1 of such Code in the case of taxable years beginning after December 31, 1943.

Approved June 30, 1944.





